
MINUTES

**SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY
MEETING OF THE BOARD OF DIRECTORS
January 28, 2010 - 1:30 p.m.
San Carlos Library, Conference Room A
610 Elm Street, San Carlos, California**

1. **Roll Call:** CTO 1:30 p.m.
2. **Adjourn to Closed Session** pursuant to Government Code Section Govt. Code Sec. 54956.9 Conference with Legal Counsel—anticipated litigation-one case.
3. **Report from Closed Session**
Nothing to Report

AGENDA ITEM 8F Moved – REGOGNITION OF KEY PARTNERS

Executive Director McCarthy: Good afternoon. I thought it would be appropriate as we have got a little bit of wind behind our back with the RFP process to recognize a couple of folks that are really key partners in our success in getting those RFPs done, getting the agreements finished and signed slowly. Some of them are trickling in. So there is two people in particular I want to recognize today that worked as really a key extension of our staff. Those two individuals are Ray McDevitt and Joe Sloan. I am going to just take a minute and say a few nice things about both of them.

Mr. McDevitt, as all of you know, was our outside counsel on the RFP work. He helped us draft both RFP documents, both of the model agreements, the final agreements. He worked with us on the BHS agreement, the license agreements. So it has been a full employment act for Ray. So we did not want him to get too bored with his water works. We got him deeply into our garbage work. But I think I can simply say that we really could not have gotten through that process, really still on schedule as it relates to the collection services RFP without Ray's work. I know when I met with him in early 2007 he kind of looked at me cross-eyed and thought that I was out of my mind to try to do procurements at the same time and a master plan to get all these contracts signed. So sorry Ray. But he really was an incredible asset to us. And he was a true, true warrior for the agency. He has a very strong personality, not unlike a few of us. And so we certainly as a group kind of went at it a few times. But at the end of the day, you know, Ray really got us over the finish line. So I have plaque here for Ray. Maybe Ray can come up and say a few things.

MR. Ray McDevitt: Well the first thing, of course, I will say is thank you. Thank you to the members of the Board and thank you to Kevin. These contracts that I did have the responsibility and the privilege of working on were truly among the most challenging of any that have undertaken in practicing, 40 years of practicing law. And individually they are complicated and the inter-relationship among the three or four different contracts certainly amplified the challenges. And I appreciate the many nice things that Kevin said. But it is also true, as I am sure you know better than I or at least as well as I that it would not have been done without Kevin. And it would not have gotten done as well without his very talented staff, Hilary Gans and Marshall Moran and Cliff Feldman, who spent a lot of time in the trenches, very, very dedicated civil servants.

So I am glad that the wind is at your back. And I wish you the best of luck and success from here on out. And thank you again Kevin.

Executive Director McCarthy: So the next person I am going to recognize is Joe Sloan. Before I do that I want to mention there was one other person that was outside the organization, Tim Flanagan from Monterey Regional Waste Management District that served on our collection services evaluation committee. And really put in a

tremendous amount of hours and was a great help for us. And trying to give Tim the most recognition, I am going to go down to his Board in Monterey and give him a plaque like this.

So Mr. Sloan. Anybody that has worked with Joe knows that he is not just a consultant, he is a friend. He is a passionate warrior in defense of whatever he is working on. So when I say that he has taken fire for the organization, it is just the way Joe is. So Joe really dug in deep for us. We had a very small team that did the work on the facility RFP evaluation and Joe as our one and only consultant and extension of our staff. I know Jim Porter and Larry got to know him a little bit and Mark Weiss. And we all had a lot of fun in the long hours that we worked. So Joe really, he kind of was that glue for us on the facility procurement side. I know when I had to step aside he was a tremendous help for Hilary. And as I said, he was a true warrior for the agency. So he helped us get through a lot of tough times. So Mr. Sloan here is a nice plaque for you.

Mr. Joe Sloan: Well it is an unexpected pleasure, I must say. Because when I was invited to come to the meeting today I was not even sure what it was for but I just know anytime I have a chance to come to San Carlos I am coming. It is a great place and I have really enjoyed this last couple of years of working with SBWMA and great staff. Ray, I have 30 years of working with public agencies and trustees, Boards, commissions, council members, supervisors of all stripes. Started out doing tax exempt finance work for municipalities and somehow got into garbage. From cash to trash.

Most people like to go the other direction but I have worked with a lot of agencies over the years and I can say that I have not really had any greater fulfillment and appreciation of the role of a Board and of an organization than I have through this process. You guys have been a tremendous, tremendous organization. And I can say it is kind of uncommon, in fact it is very uncommon, unsurpassed in my experience, to have a Board that as close to the actual operation that they are responsible for, that they are ultimately responsible for. So it was your engagement as a Board and your knowledge and commitment to the process that really made my work quite easy.

And then, as well, all of you guys on the staff, tremendous and uncommon as well. So I appreciate it. Thanks for the acknowledgement but you made my life easy and better and thank you for it.

4. Public Comment

None

5. Approval of Consent Calendar:

Consent Calendar item(s) are considered to be routine and will be enacted by one motion. There will be no separate discussion on these items unless members of the Board, staff or public request specific items be removed for separate action. *Items removed from the Consent Calendar will be moved to the end of the agenda for separate discussion.*

- A. Adopt the November 19, 2009 BOD Meeting Minutes
- B. Resolution Approving MOU with Santa Clara County re: Power Purchase Agreement Procurement

Resolution 2010-01

Agency	Yes	No	Abstain	Absent	Agency	Yes	No	Abstain	Absent
Atherton	X				Menlo Park				X
Belmont	X				Redwood City	X			
Burlingame				X	San Carlos	X			
East Palo Alto				X	San Mateo	X			
Foster City	X				County of San Mateo	X			
Hillsborough	X				West Bay Sanitary Dist				X

C. Resolution Approving Waiver of Franchise Agreement Requirement for Annual Contractor Performance Hearing for 2010

Resolution 2010-02

Agency	Yes	No	Abstain	Absent	Agency	Yes	No	Abstain	Absent
Atherton	X				Menlo Park				X
Belmont	X				Redwood City	X			
Burlingame				X	San Carlos	X			
East Palo Alto				X	San Mateo	X			
Foster City	X				County of San Mateo	X			
Hillsborough	X				West Bay Sanitary Dist				X

D. Receipt of Republic Monthly Metrics

M/S Patterson/Crist approve Consent Calendar

Motion Passed 8-0-0-4 (Absent: Burlingame, EPA, Menlo Park and West Bay Sanitary District)

6. Election of New Officers for 2010

Member Patterson: I understand from Brian that given the challenges on his time over this next year that the normal sequence of progression is not really feasible. His City Manager believes that the natural progression from Vice Chair to Chair is not going to be feasible this year. So what I would like to do is suggest a nomination of Jim Porter from the County as the Chair for this next year and leave Brian in the position that he is in.

Chair DeBry: Are there any other nominations for Chair? Hearing none, would we like to vote for Jim Porter for Chairman?

Member Patterson: By acclamation.

Chair DeBry: By acclamation. Congratulations Jim, you are now Chair.

Chair Porter: Well thank you members of the Board and Martha. I am honored, honored to take over for Martha. And I look forward to an interesting year, certainly fun.

Member Patterson: What I was suggesting in the motion was, and we can do it separately too, is ask Brian to continue as the Vice Chair for this year.

Chair Porter: Yes, I thought that was all part of the same motion but you want to do it separately? All right. It looks like we have two-thirds agreement. Great. Thank you. And congratulations Brian.

7. New Business:

A. Resolution Recommending Assignment of the SBWMA Member Agency Franchise Collection Agreements by Republic Services, Inc. to Recology San Mateo County

Executive Director McCarthy: There was a special Board Meeting on January 21st to go through an outline of this potential, for Consent to Assignment of all the municipal franchise agreements here in the service area. In the last week there is nothing of substance that has really changed in terms of the deal points. The only thing that was added in the conditions of approval is there is language now that the two parties agree to each cover up to \$25,000 per year for rate review costs in 2010. One of the points I brought up at the meeting on the 21st is that we are going to incur extra costs to do the separate rate reviews and still do the Shoreway rate review.

So I certainly appreciate the two companies agreeing to help cover those costs. So that has been added to the agreement. So for the folks that were not at the meeting, and as a matter of background, I

am going to go through sort of the outline of what is covered. So the fundamental points, as I mentioned, have not changed. If this transaction was approved it would be an assignment of all the municipal, excuse me, of all the member agency franchise agreements effective July 1st, that would be the assignment date.

The key here is the timing. This is contingent on all 12 of the member agencies approving Consent to Assignment by April 1st. As I mentioned last week, this certainly poses a challenge timing wise to try to get through the agencies but I do not think any of the board members should be unclear on the point that it takes all 12 member agencies. It would require a unanimous vote. So if one or two decided to not calendar it or were opposed to it then this Consent to Assignment would not occur. If there are pieces that are in this package that we have gone through that you find of interest, and certainly there would be a need for the agencies that maybe blocked it to maybe help understand if they want to get the benefits of this assignment some new arrangement would have to be negotiated with the parties. But essentially that is what we are faced with, is a sprint until April 1st to get all the agencies to approve.

Also important to note, because there was some confusion about this. I do not think with Board members but other stakeholders is that Republic would remain the Shoreway operator. So there is no change there.

Member Hardy: There is a second assignment for those agencies that have not assigned, they need to do that.

Executive Director McCarthy: That is correct, thanks Jim for pointing that out. So back in November the Board, this Board recommended that all the member agencies approve an assignment from the current service provider to Republic due to a merger. So far two agencies, Hillsborough and Foster City, have approved that. San Mateo, I understand, is going to consider it in February. So if you have not, you know, sort of got it queued up, you would want to do this at the same council meeting because one does precede the other.

So in terms of what is covered in this transaction, Recology would also be assuming the Republic's customers in the county service area. You will note there are a few things that I mention here that I am mentioning just so that no one is surprised about what the parties have agreed to. Obviously this is an item that is really only relevant to the county. The big financial matter between the parties is that if Republic operates for the full year there is a projected profit in overhead that they would be paid. That is assumed in the rate report.

So from their perspective, if they are going to agree to the assignment with Recology, they would want to be paid the profit that was projected for that six month period. So that is 3.1 million.

There are some other key assumptions that come with approving the assignment. One of them is that all of the member agencies agree that in their future franchise agreements they will allow for the use of used commercial bins. That is the largest single cost saving item. It has been negotiated in this package. If the consent to assignment is not approved, it is certainly still possible that that can be agreed upon and I think everybody involved, staff and Republic and Recology, would want to make sure that you do that for sure. That there has been a lot of time and attention paid to that and it represents about 80 percent of the total cost savings. So we certainly want to make sure that we get that covered.

The other important item is that all of the detail that I have given you in the staff report and this PowerPoint is just a summary is based on an agreement between the two parties. As I understand it there is no significant items of disagreement at this point. But the two parties have to have a definitive agreement signed. If for some reason today, tomorrow, next week as we are going through this process, it is possible that something could come up and the parties essentially back out of this arrangement. I will leave it up to Republic or Recology if they want to speak to anything of concern. I am not aware of anything at this moment.

Some of the other key things that would happen upon the effective date of the assignment. There is all the various legal protections for the parties. And the other important thing to note is that in doing this other than the use of the used commercial bins and some changes to the implementation schedule there is nothing in this consent to assign that is going to change Recology's obligations under the next franchise agreement.

So we tried to make it very clear from the beginning that we did not want to have to burden the member agencies with, not only, approving this assignment but then having to go back, bring your new franchise agreements back to council and then agree on a bunch of changes. So the nature of the changes, we believe, are administrative or administrative and could be handled without having to go back to your City Councils. But as I noted before, they only relate to the use of used equipment and changes to the implementation schedule.

Some of the other points to note, there is a lot of discussion about how the rate review work would be done. And what was agreed upon was really to make this the most fair and equitable for the parties, really everybody involved, was to do separate rate reviews for the period. For the first half of the year there would be a separate rate review for Republic and that whatever balancing account issues come out of that, agencies are owed money or agencies owe money, would be between Republic and the member agencies.

And the assumption is that the rate review work that is done for the first half of 2010 would be finished in time so that if there was any adjustment to be made to your rates you would know that in the fall and it could be rolled into your 2011 rate setting. There will also be a separate rate review for the last six months of 2010 and I will make note of why that is important. And as we talked about at the last Board Meeting, the special Board Meeting, there is various transactions between the parties to purchase or lease asset supplies. The most significant one being purchase of the commercial bins.

As I mentioned, this Consent to Assignment generally does not change Recology's contractual obligations with the two exceptions, the use of used commercial bins and the modification to the implementation plan. The cost savings, and this is very critical, the cost savings that have been documented in the staff report, the way they get captured is that they will be put into the cost forms for your future franchise agreements.

So when the rate submittal occurs, and when is it Cliff, July or August of this year, these numbers will be captured there. So that is where the savings are realized. It will not be anybody writing a check or, you know, money is flowing back through the Authority or any of that. The cost savings are essentially factored into the rate review process.

As I mentioned, the two parties have agreed to each cover up to \$25,000 in rate review expenses. As we go through this, if this Consent to Assignment moves forward there will be a series of meetings with the two parties and with HF&H to try to ascertain what our rate review costs will be.

And at that point, whatever the additional costs are compared to this past year, which was about—will end up being about \$175,000. Any costs over that will be essentially split between the parties.

So the question that I posed at the last meeting, you know, why should member agencies consider approving this assignment? We think there is three or four notable benefits. Certainly there are the cost savings, which from my view may be is not the single largest benefit for the assignment but nonetheless there is over \$3.7 million in savings, which translates roughly to \$374,000 per year. The number is not exactly \$374,000. It depends on how the interest cost savings are spread out over the ten years.

What I will be asking Recology to do very soon is to put these numbers back into the individual city cost forms so that you will know what your exact savings are. So when you go to Council, assuming you approve this today, you will know what your dollar savings are for your particular community. But I really, really would like to say that I think that the biggest benefit to this consent to assignment is that the new services will be rolled out a few months early in the fall. With this sort of a cut-over, with a large service area, it is really without precedent recently in the Bay area.

Some of the other large transitions that have occurred have been bringing in new service providers but essentially with the same set of services. What we are faced with is converting from an antiquated system to a modern automated system. And it causes lots of challenges in how you do that. If you are trying to roll out by January 1st, we have to work around putting carts early to customers. Those carts would have to be stored. There is just a series of - - service disruption issues. By doing this assignment, the way it would work is once these new carts over here to my left are placed out with the residential customer their old garbage cans or tubs will be taken back shortly thereafter, such that the next service day for the customer they will be able to begin using those new carts. It still will be in the same service level. So that means recycling will still be every other week. Garbage will still be weekly.

The one exception in terms of the new service is that the organics program would not start until January 1st.

And the main reason for that is if we were to try to go weekly it would require getting those new trucks in place early. Those trucks are not going to be available and it would significantly drive up the cost in the last six months of the program. As I get to a point here that is in the staff report, there is a real key savings here in terms of this early roll-out, is that we are doing this but Recology has agreed to cap their costs within that six month period. So not only are we getting the benefit of the early roll-out, there is cost savings. There is a cost cap for that six month period.

If this does not occur we are faced with implementing and dealing with our typical cost plus contract, what we currently have. And other than, you know, something that clearly does not fit within the contract, generally we are going to be approving all of Allied's expenses, Republic's expenses to close out the contract. And we really have no way to control their costs in that six month period.

So another significant cost savings with this program is that we do have this cost control within the six month period. Recology has agreed to a cost cap. It equates to the number that was projected in the rate application.

But once again, I would say my own personal experience and my staff and certainly talking to people in the industry, when you go through a close-out on a franchise agreement, particularly in a cost plus situation, you are not going to see your costs drop. They are going to be going the other way and we really have no way to control that.

There are certainly smoother transition issues. One of the challenges, once again, with trying to do this hard cutover on January 1st is there is a lot of training activities, customer service, whether it is customer service training, driver training, logistics that have to be essentially done outside of the operation. They cannot be done on site because the current service provider is there.

We have captured some of those cost savings in these negotiations. But generally, this offers, certainly, the hope and I think the reality of far fewer risks in terms of transition issues.

Then finally, I mention commercial recycling. One of the very attractive components of Recology's original RFP submittal and what is captured in their contract is a commercial recycling blitz that would be starting July 1st. It would be an effort to essentially go out to every account that does not currently have recycling and try to sign them up. It is a commitment that is iron clad. It is in the contract. But nonetheless there are limitations to that sales, commercial recycling sales blitz. One of them is, and it is not unlike the other transition issues, is Recology would not be the service provider. They would not be able to use the existing sales force that is in place. They would have no control of the customer service reps at the company. They would essentially be bringing resources in, trying to sign accounts up, but they would have to turn that sort of customer start-up request, change in service request over to the incumbent provider. They also would be running their own trucks, pick up the material. So there is really far greater cost to Recology to deliver the service. And once again, we have captured those cost savings in these negotiations. But nonetheless we believe that the company is in sooner, it is going to greatly enhance the success of that blitz.

So that is a summary of what is in the staff report. At this point the recommendation is for the Board to approve the attached resolution. Attached to that resolution is Exhibit A, which is all of the conditions of approval that have been put together related to this approval of the Consent to Assignment. I know some of you who were not at the meeting last week probably do not have a great deal of time to go through what is in Exhibit A. So certainly, at this time I can take any questions that any Board members have.

Chair Porter: Thanks Kevin. Before we take questions we have one speaker on the side. Josef Vidakovitz.

Mr. Josef Vidakovitz: Good afternoon. My name is Josef Vidakovitz and I am currently part of the administrative staff at Allied Waste in San Carlos. The Teamsters Local 350 are currently campaigning to unionize the office staff, which I am a part of. I have a few questions. The Union leaders say that if we unionize they can protect or guarantee our jobs once Recology takes over from Allied Waste and I

want to know if that is true. And then if the office staff does vote to unionize, if there is an agreement with Allied, is Recology then obligated to honor that union contract?

And then I have also heard that 50 to 70 people may lose their jobs when Recology takes over. And can you say how many of those jobs are drivers and how many are office staff? And if the office staff does vote to unionize will this have any impact on those job loses?

Chair Porter: Before we take that question I think maybe we would get some advice from legal counsel whether this is within the realm of the item and whether we can discuss this.

Legal Counsel Savaree: I do not think it is within the realm of the item that is before you. But I would be happy, if I can, I cannot answer any of those questions sitting here. I do not know the answers. I would be happy to follow-up with the gentleman if you would like me to.

Chair Porter: All right, thank you. I think probably the best way to address this is we have heard your questions. I think someone from staff will get in touch with you to try to follow-up and answer those questions for you. But since it is not within the realm of this agenda item, it is not appropriate for us to provide a response at this time.

Member Patterson: I just have one question because there was, I do not know that it was said explicitly in the staff report but I just want to confirm that, that the parties have reached agreement on the terms of the agreement then. So it is really a matter of getting this assignment approved by the member agencies or is there still more negotiations to be done?

Executive Director McCarthy: The two parties, excuse me. The two parties have agreed to the conditions of approval that are in Exhibit A. I cannot answer the question as to whether have come to terms with MOU agreement. Maybe they can respond to that.

Member Patterson: If it is okay with the Board I think I would like to know kind of where we stand in terms of the assignment process. And obviously a key part is have an agreement between the two parties before we start jumping through hoops.

Mr. Mark Arsenault: Good afternoon, my name is Mark Arsenault. I am the group manager for Recology. I can tell you that we have reached agreement to the basic terms. There has been a couple of red lines that have gone back and forth. So it is in the final throes with the attorneys but the principles, the basic principles of the deal have been agreed to. So we just do not have the contracts penned. If Kevin has a different view of it, then I will let him speak to that but we talked this morning and think we have it hammered out pending the attorneys approval.

Chair Porter: Do you have a timeline on approval?

Mr. Mark Arsenault: We do. The timeline was actually December 31st of last year because we know we have got to get to all of your cities to get these approvals done. So yes, time is of the essence.

Chair Porter: Days, weeks?

Mr. Mark Arsenault: Hopefully, literally days. We hope to begin talking to your cities next week actually. So that is our timeline. We understand the need. And again, I answered this last week but the real hard deadline of April 1st is a need based on training and on outreach because both of those elements are really impacted by the early transition. But yes, as quick as we can get it done.

Mr. Kevin Finn: Kevin Finn, I am with Republic Services and we have been negotiating this for quite a while now and Mark is absolutely correct. We are in agreement on terms and we are waiting on the red lines to be black lines and sign the MOU. So it could be a couple of days. It could be next week but the attorneys need to get their hours and we will get it done. Thank you.

M/S Moura/Patterson approve Resolution 2010-04
Motion Passed 8-0-0-4 (Absent: Burlingame, EPA, Menlo Park and West Bay Sanitary District)

Agency	Yes	No	Abstain	Absent	Agency	Yes	No	Abstain	Absent
Atherton	X				Menlo Park				X
Belmont	X				Redwood City	X			
Burlingame				X	San Carlos	X			
East Palo Alto				X	San Mateo	X			
Foster City	X				County of San Mateo	X			
Hillsborough	X				West Bay Sanitary Dist				X

Member Hardy: I have just a follow-on request. In order to turn this around that quickly will there be a kind of model staff report? You know, model resolution, the actual, you know, signed MOU, gets transmitted to each of the agencies to make it as easy as possible for people to then turn that into their own kind of staff report and get it onto their agendas? And then I think we may need some personal outreach to make sure that right away we know what schedule they are going to put it on and when you need unanimous and we have had problems in the past of all agencies acting within a timeframe. So I offer the one as a suggestion to all of us. It just makes it so much easier that we are not putting out different information. That there is kind of a standardized staff report reso and what not. And then that we do some additional outreach and early on get commitments from each of the agencies as to what date that they are going to take this to their respective governing Boards for action so that we know that it is all within this timeframe.

Executive Director McCarthy: Staff will commit to making some minor tweaks to the staff report. There will be some minor formatting changes and some things taken out but we will do that. I certainly will commit to be at every member agency meeting. I will say though that this, I think there has been a tremendous amount of work done by staff to get it to this point and it is really up to the parties to help with the outreach to get this thing moved forward.

Member Patterson: Just one, and this goes along the same line because I provided our attorney's office with a copy of the staff report and reso as it stood. I cannot imagine them not coming back and saying let me see that agreement as soon as possible. So whatever you can do to expedite that part from the parties actually - - agreement would be helpful. And I assume everybody is here since we voted for it, you could count on us in delivering.

Member DeBry: This amount - - done with East Palo Alto, Burlingame and West Bay.

Executive Director McCarthy: There will be. Actually in the case of West Bay we have already had conversations with them. I have not spoken to Burlingame. I have spoken to Menlo Park. So it is two of them we have not spoken to, two of them that we have. But certainly that this—tomorrow morning or sometime tomorrow the staff report will go out to all member agencies. Certainly pointing out the urgency. I cannot really commit to Larry's request to move the parties any further along on the MOU. There was a December 31st deadline and it was missed. This MOU should have been to us before this Board Meeting and it was not. So hopefully, as I say, there is no major changes and we will get the MOU.

Chair Porter: I just have one more question. What sort of—how mechanically would you like us to get your schedules to staff or will there be outreach from staff to the various jurisdictions to give you our schedules for getting to our Councils and Boards?

Executive Director McCarthy: Just let us know the date and we will have somebody there.

Chair Porter: I know for the county we have scheduled this for our environmental quality committee in February. At least to give a verbal update and it is kind of the path to getting to our Board of Supervisors. So we will contact one of your staff and let you know what the timeframe on that

B. Mid Year Review of FY2010 Annual Operating Budget

Informational Item. Review of Budget. Mid Year will be brought to Board for motion at the February Meeting.

Hillsborough now absent

C. Resolution Approving Contract with Zanker Road for Processing of Construction and Demolition Debris

We have had a contract with Zanker Road dating back to December 2006. That contract has been in place for three years. We believe they have delivered a very high level of service to us and we are desirous of extending that contract. We have negotiated lower tipping fee at \$45.00 per ton and we are projecting the cost savings of that new rate to be on an annualized basis \$125,000.

Resolution 2010-03

M/S Moura/Patterson approve Resolution 2010-03

Motion Passed 7-0-0-5 (Absent: Burlingame, EPA, Hillsborough, Menlo Park and West Bay Sanitary District)

Agency	Yes	No	Abstain	Absent	Agency	Yes	No	Abstain	Absent
Atherton	X				Menlo Park				X
Belmont	X				Redwood City	X			
Burlingame				X	San Carlos	X			
East Palo Alto				X	San Mateo	X			
Foster City	X				County of San Mateo	X			
Hillsborough				X	West Bay Sanitary Dist				X

D. Approval of Updated SBWMA Brand Identification

Member Patterson: Was there a polling of staff about the opinion about which staff preferred?

Staff Devincenzi: We did. We actually had 28 logos that were presented to us and we narrowed it down to the top, ten that we liked and then we went around and voted. And I think the one that staff preferred, that had the highest votes was number three on what was presented. But they were all very close within a point or two of each other.

M/S Patterson/Crist approve Brand Identification

Motion Passed 7-0-0-5 (Absent: Burlingame, EPA, Hillsborough, Menlo Park and West Bay Sanitary District)

8. Staff Updates

- a) Update on Allied Contract Compliance
- b) Recycling and Outreach Programs Update
- c) Facility Operations Update
- d) Implementation of County AB 939 Fee
- e) Preview of Upcoming Board meetings
- f) Recognition of Key Partners in RFP Processes

Executive Director McCarthy: I will note that there is an Item D update on the county AB 939 Fee and that is a segway. And in a moment or so I think Jim has something to say maybe updating that item. But we did follow through and had a meeting with county staff. I met with Jim recently. There is still some concerns I think that we need to address relative to the county fee and some of the equity issue around, you know, is this agency paying its proportion and fair share, you know, -- budget. So, you know, but in terms of the task that was presented by Board member Hardy as to whether there is, you know, substantial overlap in the scope -- services between the two agencies, we do not believe that there is.

Chair Porter: Maybe I will say few words before we get going. We did meet with Kevin and our staff has been talking with his staff and we do think that this issue of fairness is a big issue. Right now we have most of the agencies or most of the cities in this county hauling to Ox Mountain. There are three that I can think of off the top of my head that are not. In fact I just went through the State Boards reporting on solid waste for all the jurisdictions. And everybody here has some waste that is being hauled out of county.

Now a lot of that is from self-hauls. There is a lot of things you cannot control. But I think what we need to do is get together as a county, meaning members of this body as well as the other ten cities in the county, and talk about how we are going to address this equity issue. What we need to do is to either find a way to catch revenue from these cities that are hauling out of this county or charge a fee for the services that the county is providing to those cities that are not paying in now or tell these cities you are not going to get this service. Half of this fee goes towards implementation of county-wide programs by our recycle works group in Public Works. The other half, roughly, goes to the household hazardous waste program.

So if you are from a jurisdiction that is not hauling to Ox right now you are getting that service for free. And we agree that is not fair. So what our staff is going to do and Joe LaMariana is in the back here, is set up a meeting of all the cities and get together and start brainstorming. Because we would like to come to consensus with all the cities in the county as to how to proceed with this. And then we will take it to our Board of Supervisors and provide a recommendation to them.

But I just want to let you know that I appreciate the work that Kevin has done. I appreciate the work that our staff has done and this is not over but we certainly want to address all these issues and we plan on doing those in the coming months. And I will just also offer up that, we, the county, as well as our staff would be happy to attend any City Council meetings that you have. I know there is questions about this. We will be in Foster City on March 15th to speak with their Council. So the offer is open, we will meet individually with your staff and/or your Councils at a meeting if you would like. So if there is any questions I can answer them. And if I cannot answer them, Joe LaMariana can sure answer them.

10. Board Member Comments

Chair Porter: Before we adjourn I think there are a couple of members here that we need to recognize as outgoing Board members. Jack Christ from Belmont, last meeting and you will be saying hi ho silver and heading off to retirement again. And Brian Ponty, I guess this is your last official Board Meeting, although we hope to see you again. But on behalf of the Board and the SBWMA staff thank you for your service and do not be strangers.

Member Crist: Would it be appropriate for us to say a few words at this point, Mr. Chair? I would just like to say that I never thought I had it in me to learn to appreciate garbage as much as I have come to in this process. It has been a growth opportunity. I find myself talking to my trash can now. So that tells me I am ready to be a retiree for sure. And I do not know if Brian is doing that sort of thing as well but there is something—it is transformational when you serve on this Board. I do, however, feel a little bit of a failure. You know, it is Belmont's dream to put elected officials on this Board and we have not been able to accomplish that but Thomas Fil, our Finance Director, will be my replacement and I am mentoring him. And so I am sure you will hear him bring this topic up from time to time, it is our tradition. We never want to fail to at least broach the subject on that issue. And it has been fun. I appreciate the opportunity. And I am not coming back again.

Mr. Brian Ponty: Thank you. It is—I have been here since coming, these meetings off and on since 1985 when this was the SBTBSA and I think Jim was probably - Yes, you are probably one of the few people that can remember going back that far but I want to thank you for your support and confidence over the years. I think the organization does tremendous work. I think you are in excellent hands with Kevin and his staff in terms of taking this organization to the next step. And I am looking forward to turning this over to our very highly respected Public Works staff who will take our involvement to the next level. Thank you.

11. Adjourn - 3:05pm